

FISCAL NOTE

HB 207 - SB 267

February 22, 2003

SUMMARY OF BILL: Establishes a 10% tax on alarm service monitoring and excludes the monitoring service from local option sales taxes. The proceeds from this tax would be used to fund police and firefighter training. Redefines eligibility requirements for training incentives as well as the payment structure for those incentives.

ESTIMATED FISCAL IMPACT:

**Increase State Revenues - \$7,082,250 Recurring/Training Incentive Fund
\$6,407,750 Recurring/Police Pay Supplement Fund**

**Increase State Expenditures - \$7,694 Recurring
\$116,800 One-Time**

Estimate assumes:

- Alarm service monitoring sales of \$134,900,000 in Tennessee in 2004.
- The increase in state revenues is calculated as $\$134,900,000 \times 10\% = \$13,490,000$.
- There would be a one-time cost of \$116,800 and a recurring cost of \$7,694 to implement the systems changes associated with the legislation.

For informational purposes: The proceeds from the tax are allocated as follows:

- 47.5% police pay supplement fund
- 52.5% training incentive fund. 5% of the proceeds allocated to training incentive fund are earmarked for the Tennessee Fire and Codes Enforcement Academy through the Tennessee commission of fire fighting.

CERTIFICATION:

This is to duly certify that the information contained herein is true and correct to the best of my knowledge.



James A. Davenport, Executive Director

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